FAIRWAYS OFFSHORE EXPLORATION, INC.

186 IBLA 58 Decided July 21, 2015

United States Department of the Interior
Office of Hearings and Appeals
Interior Board of Land Appeals
801 N. Quincy St., Suite 300
Arlington, VA 22203

FAIRWAYS OFFSHORE EXPLORATION, INC.

IBLA 2013-221 Decided July 21, 2015

Appeal from an order of the Regional Director, Gulf of Mexico Outer Continental Shelf Region, Bureau of Safety and Environmental Enforcement, requiring appellant to perform decommissioning activities for an Outer Continental Shelf lease, which had terminated. OCS-G 04460.

Affirmed.

1. Oil and Gas Leases: Generally--Outer Continental Shelf Lands Act: Oil and Gas Leases

The term "lease" is defined in the regulations at 30 C.F.R. §§ 250.105 and 550.105, to mean either (1) an agreement that is issued under section 8 or maintained under section 6 of the Outer Continental Shelf Lands Act, and that authorizes exploration for and development and production of minerals, or (2) the geographical area covered by that authorization, whichever the context requires. The regulatory requirements in 30 C.F.R. §§ 250.1710 and 250.1725(a), that wells and platforms must be permanently plugged and removed after a lease terminates, refers to termination of a lease agreement authorizing exploration for and development and production of minerals. The Bureau of Safety and Environmental Enforcement does not err in issuing a former lessee of a terminated lease agreement a decommissioning order, pursuant to 30 C.F.R. §§ 250.1710 and 250.1725(a), with respect to facilities established under that lease, when it has not issued a decommissioning order, with respect to those facilities, to the lessee of a subsequent lease agreement covering the same geographical area on which the facilities at issue remain located.

APPEARANCES: Peter J. Schaumberg, Esq. and James M. Auslander, Esq., Beveridge & Diamond, P.C., Washington, D.C., for the appellant; Eric Andreas, Esq., Office of the Solicitor, U.S. Department of the Interior, Washington, D.C., for BSEE.

OPINION BY ADMINISTRATIVE JUDGE KALAVRITINOS

Fairways Offshore Exploration, Inc. (Fairways) has appealed from and petitioned for a stay of a July 17, 2013, letter-order (Order) of the Regional Director, Gulf of Mexico Outer Continental Shelf (OCS) Region, Bureau of Safety and Environmental Enforcement (BSEE), requiring Fairways to perform decommissioning activities for OCS oil and gas lease OCS-G 04460 (Lease), which covered the South Timbalier Block (ST 76) in the Gulf of Mexico. By order dated March 19, 2015, the Board denied the petition for stay.

Fairways was a co-lessee of the OCS-G 04460 lease. That lease was terminated by operation of law on October 25, 2010, upon cessation of production. On August 1, 2013, BSEE issued a new lease (OCS-G 34838) for the right to drill for, develop, and produce oil and gas on ST 76 to Talos Energy Offshore LLC (Talos). Statement of Reasons (SOR) at 1. Fairways points out that BSEE has not yet required Talos to decommission the existing facilities used for production under the former lease, and asserts that BSEE errs in issuing Fairways a decommissioning order prior to issuing such an order to Talos and prior to such time as Talos fails to comply with such order. *Id.*

As discussed herein, we conclude that Fairways' lease decommissioning obligations with respect to OCS-G 04460 accrued upon acquisition of its interest in the lease; its decommissioning obligations survived lease termination; and BSEE did not err in issuing Fairways, the prior lessee of a terminated lease, a decommissioning order with respect to facilities from which oil and gas was produced under the prior lease, before issuing such an order to Talos, lessee of the new lease, OCS-G 34838.

*Background*

Lease OCS-G 04460, which covered ST 76, commenced on or about November 1, 1980, pursuant to the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. § 1331-1356a (2012), for a term of 5 years, and so long thereafter as oil or gas was produced in paying quantities or drilling or well reworking operations were conducted. Effective April 1, 2000, Fairways held an interest in the lease (33.33%), along with co-lessees Dominion Exploration & Production, Inc. (50%), Fortune Natural Resources Corp. (Fortune) (12.5%), and EXCO Resources, Inc. (4.17%). It is undisputed that, when Fairways acquired its record title interest, oil and gas production was already occurring from Well D001, situated on Platform D. No additional platforms were erected or wells drilled at any time thereafter, until

termination of Lease OCS-G 04460. As of April 5, 2006, Fairways was still a co-lessee on OCS-G 04460 (33.33%), and its co-lessees were ATP Oil and Gas Corp. (ATP) (54.17%), and Fortune (12.5%). Starting as early as April 5, 2006, at least until termination, ATP was also an operator. On April 28, 2010, production ceased. On November 22, 2010, Lease OCS-G 04460 terminated.

On June 20, 2013, the U.S. Bankruptcy Court for the Southern District of Texas, in Docket No. 12-36187, authorized ATP, which it described as "the current lessee," to abandon or relinquish its obligations relating to the subject lease. Order at unpaginated ("unp.") 1. In response, on July 8, 2013, ATP notified BSEE that effective immediately it would not perform any required maintenance or decommissioning activities related to the lease. *Id.*

On July 17, 2013, BSEE issued the Order on appeal, notifying Fairways, as a co-lessee of Lease OCS-G 04460, that ATP would not be performing any required maintenance or decommissioning activities related to that lease, and that Fairways is responsible for decommissioning all wells, pipelines, platforms, and other facilities for which it accrued decommissioning obligations under 30 C.F.R. § 250.1702 for this lease.[1] Order at unp. 1. Moreover, BSEE stated, since the lease had terminated over two years ago, Fairways, as a co-lessee, was ordered to decommission all such wells, pipelines, platforms, and other facilities by July 17, 2014. *Id.* BSEE further ordered Fairways to safely and orderly wind down all functions associated with all facilities and infrastructure for which Fairways is responsible from the date of the Order until decommissioning is complete, immediately undertake maintenance of the facilities and wells on the lease, and ensure that the wells are secured in accordance with all provisions of 30 C.F.R. Part 250 that apply to shut-in wells. *Id.*

Shortly before the July 2013 Order, the Bureau of Ocean Energy Management (BOEM), on July 3, 2013, issued a new OCS lease (OCS-G 34838), effective August 1, 2013, to Talos, the high bidder in a March 2013 competitive lease sale. Lease OCS-G 34838 secured Talos' right to drill for, develop, and produce oil and gas on ST 76. Answer at 2 (citing SOR, Exhibit (Ex.) 1). BSEE asserts that, while the new lease afforded Talos the right to drill and develop the offshore oil and gas resources in Block 76 of the ST Area, it "did not . . . grant Talos any ownership or use rights in the existing facilities on ST 76." Opposition to Petition for Stay (Opposition) at 2.[2] BSEE does

[1] On Sept. 25, 2013, BSEE issued a decommissioning order to Fortune, Fairways' co-lessee under Lease OCS-G 04460.

[2] BSEE points out that "Well D001 is listed under the Borehole/Completions report for Lease OCS-G 04460, and not for Lease OCS-G 34838," and "Platform D is also listed under the Approved Platform report for Lease OCS-G 04460, and not for Lease OCS-G (continued...)

not concede that Talos has accrued any decommissioning liability with regard to Platform D and Well D001, and has not required Talos to decommission those existing facilities. Opposition at 4; Answer at 5; SOR at 1.

Fairways timely filed a notice of appeal for Board review, in accordance with 30 C.F.R. § 290.3, which allows 60 days to file an appeal after receipt of a final decision or order of BSEE.[3] In accordance with 30 C.F.R. § 290.7, the Order went into effect immediately upon issuance (July 17, 2013). After filing the appeal, Fairways attempted to resolve the matter. SOR at 3. On January 23, 2015, Fairways petitioned the Board for a stay of the Order. By Order dated March 19, 2015, the Board denied the petition for the stay, on the ground that Fairways had not shown a substantial likelihood of success on the merits.

*Analysis*

At issue in the appeal is whether BSEE erred in allocating responsibility for decommissioning of facilities under Lease OCS-G 04460 to Fairways. The term "decommissioning," within the regulations at issue, means (1) Ending oil, gas or sulphur operations; and (2) Returning the lease or pipeline right-of-way to a condition that meets the requirements of regulations of BSEE and other agencies that have jurisdiction over decommissioning activities. 30 C.F.R. § 250.1701(a).

Disposition of the present appeal rests on proper interpretation of 30 C.F.R. §§ 250.1702, which provides:

> You accrue decommissioning obligations when you do any of the following:
> (a) Drill a well;
> (b) Install a platform, pipeline, or other facility;
> (c) Create an obstruction to other users of the OCS;
> (d) Are or *become a lessee* or the owner of operating rights *of a lease* on

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34838." Answer at 4. The agency further notes that Talos has "never generated income from the use of the facilities in question, and, according to Fairways, has no interest in using them in the future." *Id*. at 2 (citing SOR at 3 n.1); *see* Opposition at 2 n.7; SOR at 2-3.

[3] The 60-day deadline to appeal from a final order or decision of BSEE, issued under 30 C.F.R. Chapter II, applies in lieu of 43 C.F.R. § 4.411, which provides the standard 30-day deadline for filing an appeal. 30 C.F.R. § 290.3.

> which there is a well that has not been permanently plugged according to this subpart, a platform, a lease term pipeline, or other facility, or an obstruction;
> (e) Are or become the holder of a pipeline right-of-way on which there is a pipeline, platform, or other facility, or an obstruction; or
> (f) Re-enter a well that was previously plugged according to this subpart. [Emphasis added.]

*See* 67 Fed. Reg. 35398, 35407 (May 17, 2002) (Final Rule); 65 Fed. Reg. 41892, 41898 (July 7, 2000) (Proposed Rule).

Fairways interprets 30 C.F.R. § 250.1702 to mean that, when Talos became the lessee of lease OCS-G 34838, on which there was a well that had not been permanently plugged (Well D001) and a platform (Platform D) drilled and erected under the prior lease, OCS-G 04460, Talos accrued the decommissioning obligations with respect to such facilities, and thus became "primar[il]y" responsible for decommissioning OCS-G 04460. SOR at 5; *see* Petition for Stay at 4; Reply in Support of Petition for Stay (Reply) at 1, 3. Fairways does not deny that it has decommissioning responsibility, only that "BSEE must first look to Talos for any decommissioning that [it] deems necessary in the near term." SOR at 4. It argues that, in requiring the prior lessee (Fairways) to decommission facilities under the prior lease before requiring the current lessee (Talos) to decommission the prior lease: "BSEE must first look to Talos for any decommissioning that BSEE deems necessary in the near term." *Id.*

Fairways concludes that BSEE violated 30 C.F.R. § 250.1702, by issuing Fairways the "premature" Order since Fairways is "not presently liable for decommissioning at ST 76." SOR at 1, 4. Fairways contends the Order should be rescinded or withdrawn, until BSEE attempts to compel Talos to decommission Well D001 and Platform D, and until Talos fails to comply. *Id*.

BSEE disputes Fairways' interpretation of 30 C.F.R. § 250.1702, arguing that the regulation requires the holder of the prior lease and any successor-in-interest of that particular lease to decommission facilities established under that lease, by permanently plugging any wells and removing any platforms which were drilled and erected under that lease. *See* Opposition at 3.[4] For support, BSEE points to the language of

[4] Fairways urges the Board not to consider allegedly new, alternative arguments in BSEE's Opposition to Fairways' Petition for Stay, not raised in BSEE's earlier Answer. Fairways' Reply at 3-4 n.5. Fairways inaccurately refers to BSEE's Opposition as a "reply" brief, filed pursuant to 43 C.F.R. § 4.414(b)(2), rather than as a response to Fairways' Petition for Stay, filed pursuant to 43 C.F.R. § 4.21(b)(3), and the case it cites, *Western Watersheds Project,* 184 IBLA 106, 115-17 (2013), is inapposite, since it (continued...)

30 30 C.F.R. § 250.1701(c), which defines the term "you" to whom decommissioning obligations accrue in 30 C.F.R. § 250.1702 to mean "lessees . . . as *to facilities installed under the authority of a lease[.]"* *See* Opposition at 3-4 (emphasis added). Accordingly, BSEE asserts, in the case of wells and platforms drilled and erected under the authority of a prior lease, the term "you" refers to a lessee under that prior lease.

> Because "under the authority of a lease" can only mean under the authority of the lease agreement, "you" in § 250.1702 cannot and does not apply to Talos with respect to Platform D and [W]ell D001. The simple reason is that these facilities were not installed "under the authority" of Talos' lease (OCS-G 34838). Instead, they were installed "under the authority" of Fairways' lease, OCS-G 04460. Thus, § 250.1702[] does not *by definition* apply to Talos[.]

Opposition at 4. BSEE concludes Fairways is obligated to permanently plug Well D001 and remove Platform D.

Maintaining the position that under BSEE's regulations, Talos has no decommissioning obligation for Platform D and Well D001, BSEE points out that, even under Fairways' theory of the case, it cannot evade decommissioning responsibility under 30 C.F.R. § 250.1701(a), which provides that "[l]essees . . . are jointly and severally responsible for meeting decommissioning obligations for facilities on leases . . . , as the obligations accrue and until each obligation is met." *See* Opposition at 2, 4. Even if BSEE considered this rule to apply to the lessee of a different, later lease, such interpretation would provide no basis for Fairways to evade liability; Fairways merely would share equally in decommissioning responsibilities, and BSEE would have "the discretion to order either to perform the necessary decommissioning." *Id.*

Fairways has not denied that, as a lessee of Lease OCS-G 04460, it became obligated, at the time of lease termination, to decommission Well D001 and PlatformPlatform D, and fulfill the other decommissioning obligations related to the Lease, since such obligations accrued to it by virtue of the fact that it "bec[a]me a lessee . . . of a lease on which there is a well that has not been permanently plugged[,] . . . a

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involves an abuse of the *reply* brief process, wherein a party filed *four* supplemental notices submitting additional information and arguments. Finally, we note that Fairways can claim no disadvantage. The Board afforded Fairways ample opportunity to respond to all of BSEE's arguments, giving full consideration to its reply to BSEE's Opposition.

platform, . . . or other facility," within the meaning of 30 C.F.R. § 250.1702.[5] Rather, Fairways seeks to transfer the initial decommissioning obligations to Talos, the current holder of the new Lease OCS-G 34838.

The regulation at 30 C.F.R. § 250.1702 provides that, as a lessee, "[y]ou accrue decommissioning obligations" when you, *inter alia,* drill a well, install a platform, pipeline, or other facility, or "[a]re or become a lessee . . . of a lease on which there is a well that has not been permanently plugged[,] . . . a platform, a lease term pipeline, or other facility, or an obstruction[.]" "*Lease*" is defined by 30 C.F.R. § 250.105 to encompass either the lease "agreement" which authorizes the development of offshore oil and gas resources or the lease "area" covered by that authorization, "whichever the context requires." We focus here primarily on whether BSEE correctly applied the regulation at 30 C.F.R. § 250.1702 to hold Fairways responsible.

Under the plain language of the regulation at 30 C.F.R. § 250.1702, read within its regulatory context, the decommissioning obligations of "a lessee" are linked to the facilities that were installed under the authority of its lease, whether the party in question was the lessee at the time the facilities were installed or a successor-in-interest to that lessee. The rule at 30 C.F.R. § 250.1702 carried forward the allocation of responsibility previously set forth in 30 C.F.R. § 250.700 (1998), which was in effect when Fairways acquired its record title interest in the Lease in 2000, and provided, in relevant part:

> (b) Lessees must plug and abandon all well bores, remove all platforms or other facilities, and clear the ocean of all obstructions to other users. This obligation:
> (1) *Accrues to the lessee when the well is drilled, the platform or other facility is installed,* or the obstruction is created; *and*
> (2) *Is the joint and several responsibility of all lessees . . . under the lease at the time the obligation accrues, and of each future lessee* . . . until the obligation is satisfied under the requirements of [30 C.F.R.] [P]art [250].[6] [Emphasis added.]

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[5] Furthermore, 30 C.F.R. § 250.1701(a) provides, "[l]essees . . . are jointly and severally responsible for meeting decommissioning obligations for facilities on leases . . . as the obligations accrue and until each obligation is met." Thus, in the present case, the decommissioning obligations that accrued to the lessee that created Well D001 and Platform D under the authority of its lease and also accrued to successive holders of that lease, including Fairways, continues in existence until the well is permanently plugged and the platform is removed.

[6] We note that, when the Department first promulgated 30 C.F.R. § 250.1702, it identified, in the preamble to the proposed rule, the "new requirements" concerning

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30 C.F.R. § 250.700 (1998) was originally promulgated as 30 C.F.R. § 250.110 (1989), effective May 31, 1988. *See* 53 Fed. Reg. 10596, 10733 (Apr. 1, 1988). It initially provided only that the lessee shall plug and abandon "[a]ny well which is no longer used or useful for lease operations[.]" 30 C.F.R. § 250.110 (1989). It was later amended effective August 20, 1997, adding the following language, as subsection (b):

> (b) Lessees must plug and abandon all well bores, remove all platforms or other facilities, and clear the ocean of all obstructions to other users. This obligation:
> (1) *Accrues to the lessee when the well is drilled, the platform or other facility is installed,* or the obstruction is created; *and*
> (2) *Is the joint and several responsibility of all lessees . . . under the lease at the time the obligation accrues, and of each future lessee[,] . . .* until the obligation is satisfied under the requirements of [30 C.F.R.] [P]art [250]. [Emphasis added.]

30 C.F.R. § 250.110 (1997); *see* 62 Fed. Reg. 27948, 27955 (May 22, 1997) (Final Rule); 60 Fed. Reg. 63011, 63014 (Dec. 8, 1995) (Proposed Rule) ("(b) The obligations to plug and abandon wellbores, remove platforms or other facilities, and to clear the ocean of obstructions accrue when the well is drilled, the platform or other facility is installed, or the obstruction is created and continue until the requirements . . . are fully accomplished. These obligations are the joint and several responsibility of all lessees."). The regulation was subsequently redesignated as 30 C.F.R. § 250.700 (1998), effective June 30, 1998. *See* 63 Fed. Reg. 29478, 29479 (May 29, 1998).

Fairways also argues, at apparent odds with its earlier acceptance of responsibility, that 30 C.F.R. § 250.1702 imposes decommissioning obligations on "a lessee," and, since Fairways is no longer a lessee, it has no decommissioning obligations, and further alleges that, no longer a lessee, it is precluded from entering and undertaking any decommissioning activities on Talos' existing leasehold. *See* SOR at 4-5, 5 ("Fairways presently holds no rights to access or use the seabed on Talos' lease. Moreover, BSEE's decommissioning regulations speak to lessees . . . as responsible for meeting decommissioning obligations . . . . Only Talos currently is a lessee . . . at ST 76; Fairways is not."). However, Fairways overlooks the fact that the regulation refers to the "accru[al]" of decommissioning obligations. Since there is no doubt that Fairways became a lessee in 2000, when there were facilities on the Lease, Fairways "accrue[d]" obligations to decommission such facilities. Fairways makes no

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offshore decommissioning. 65 Fed. Reg. at 41893. That regulation was not identified as a new requirement, thus indicating that it carried over the requirements of its predecessor (30 C.F.R. § 250.700(b) (1998)). *See* 65 Fed. Reg. at 41894.

effort to dispute the effect of 30 C.F.R. § 250.1701(a), which explicitly provides that a lessee is responsible for decommissioning its lease not only "as the obligations accrue," but, importantly, "*until each obligation is met.*" (Emphasis added.) Thus, Fairways' decommissioning obligations continued even after termination of the Lease.

The U.S. Circuit Court for the District of Columbia (D.C. Circuit) has expressly recognized that a lessee's decommissioning obligations survive assignment, transfer or termination of a lease. *Noble Energy, Inc. v. Salazar,* 671 F.3d 1241, 1244 (D.C. Cir. 2012) (citing 30 C.F.R. §§ 556.62(d), 556.64(a)(5), 556.76, 250.1710). And, in a recent opinion, the U.S. District Court for the District of Columbia opined, "The [decommissioning] regulations clearly apply to persons that are not current leaseholders." *Noble Energy, Inc. v. Jewell,* Civil Action No. 14-898 (CKK) (D.D.C., June 8, 2015), at 10-11, *available at,* 2015 U.S. Dist. LEXIS 73462, at *16.

[1] Fairways' expansive reading of the applicable regulations would have BSEE impose upon a party that acquires a subsequent lease, following termination of the first lease, all obligations to permanently plug a well and remove a platform drilled and erected under the first lease, and refrain from requiring the former lessee of the terminated lease to fulfill its decommissioning responsibilities under its lease until the lessee under the subsequent lease agreement defaults.[7]

Fairways cites regulations by which BOEM can offer and the lessee can accept unique rules for an individual lease, which is typically done through stipulations or conditions made known to all parties in advance through materials accompanying the lease sale. SOR at 5 (citing 30 C.F.R. §§ 556.32, 556.47). Without benefit of legal support, Fairways asserts that, in accepting the subsequent lease without stipulations or conditions, Talos accepted "primary decommissioning liability" for facilities established under the prior terminated lease. *Id.* It further argues that, since BOEM and Talos were aware of the decommissioning status of the facilities under the prior lease at ST 76 (Lease OCS-G 04460), and BOEM did nothing to lessen Talos' alleged obligation to decommission those facilities or to reserve such liability for former lease interest holders, *i.e.* Fairways, Talos assumed Fairways' decommissioning obligations

[7] Fairways also argues that, were BSEE not to impose decommissioning obligations on a subsequent lessee when the prior lease terminates, when there exists no other party to whom BSEE might look other than the prior lessee, and the prior lessee declares bankruptcy, "the decommissioning liability for any extant facilities would fall exclusively on the taxpayer[.]" Reply at 3. Fairways overlooks the fact that the prior lessee would normally have submitted bond(s), which would pay for any decommissioning were that lessee to default on its obligations. *See* 30 C.F.R. Part 556, Subpart I. This situation would also pertain even were there no subsequent lessee.

when it acquired its interest in Lease OCS-G 34838. *Id.* This argument is without merit. Fairways fails to establish that Talos would accrue any decommissioning obligations, primary or otherwise, that lessees had assumed under a different, now-terminated lease, whether or not the leases pertain to the same geographical area. Therefore, Fairways' argument fails to prove that, by declining to ensure inclusion of stipulations or other limiting language shielding it from the obligations of other parties under other leases, Talos accepted other parties' legal responsibilities under the OCSLA and implementing regulations. Little more need be said.[8]

In conclusion, Fairways has not persuaded the Board that BSEE erred in holding it liable for decommissioning obligations under the terminated lease. The term "lease" is defined in the regulations at 30 C.F.R. §§ 250.105 and 550.105, to mean either (1) an agreement that is issued under section 8 or maintained under section 6 of the OCSLA, and that authorizes exploration for and development and production of minerals, or (2) the geographical area covered by that authorization, whichever the context requires. The regulatory requirements in 30 C.F.R. §§ 250.1710 and 250.1725(a), that wells and platforms must be permanently plugged and removed after a lease terminates refers to termination of a lease agreement authorizing exploration for and development and production of minerals. Here, the decommissioning requirements were triggered when Lease OCS-G 04460 terminated. BSEE did not err in interpreting those regulations to require that Fairways, as a former lessee, undertake the decommissioning obligations for facilities established under Lease OCS-G 04460, which Fairways accrued when it acquired its interest under that lease agreement.[9]

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[8] Fairways claims that the provision in section 22 of lease OCS-G 34838 generally requiring Talos to remove all platforms and other facilities within 1 year after the lease terminates, indicates this obligation pertains to the facilities created under the prior Lease OCS-G 04460. *See* SOR at 6*;* Reply at 3. We find no support for this assumption. Nothing indicates that this lease provision pertains to facilities dating from the prior lease, which should long since have been removed pursuant to a comparable provision in Lease OCS-G 04460.

[9] Furthermore, we are not persuaded by Fairways' assertion that it is precluded, by the OCSLA or its implementing regulations, from entering Talos' existing leasehold, for the purpose of completing its ongoing decommissioning obligations. Indeed, representations made by Fairways, in a Sept. 2, 2014, letter to BSEE (SOR, Ex. 4), regarding additional operations on Well D001 following termination of Lease OCS-G 04460, and its plans for plugging and abandoning the Well seem to belie Fairways' assertion that it is, practically speaking, barred from plugging Well D001 and removing Platform D, even after issuance of Talos' lease, OCS-G 34838. *See, e.g.,* Letter to BSEE, dated Sept. 2, 2014, at unp. 1 ("On May 13, 2013[,] the well was killed

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Fairways misunderstands the law when it argues that BSEE first must order a lessee under a subsequent lease agreement, including one covering the same geographical area, to carry out decommissioning obligations with respect to facilities established under Fairways' Lease OCS-G 04460, before ordering Fairways to undertake its decommissioning obligations under Lease OCS-G 04460.

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 C.F.R. § 4.1, the decision appealed from is affirmed.

/s/
Christina S. Kalavritinos
Administrative Judge

I concur:

/s/
James F. Roberts
Administrative Judge

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with 83.5 bbls [barrels] of 17.5 ppg [pounds per gallon] zinc bromide ($ZnBr_2$) utilizing the Lift-boat Courtney Gabrielle. SITP [Shut-In Tubing Pressure] observed on May 14, 2013[,] was 100 psig [pounds per square inch gage]. The upper SCSSV [Surface-Controlled Subsurface Safety Valve] was closed and negative tested for 30 minutes with no pressure build up. A back pressure valve . . . was then set in the profile of the tubing hanger, thus, securing the wellbore.").